

CITY OF ROCHESTER, MINNESOTA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

For the Year Ended December 31, 1998

With Comparative Totals for the Year Ended December 31, 1997

	<u>Equipment Revolving Fund</u>	<u>Information Technology Revolving Fund</u>
Operating Revenues:		
Charges for Services:		
Equipment rental	\$1,060,359	\$35,850
Copy center charges	42,260	
Departmental workers' compensation charges		
Departmental insurance charges		
Departmental flex charges		
Employee insurance charges		
Employee flex benefit contributions		
	<hr/>	<hr/>
Total Operating Revenues	<hr/> 1,102,619	<hr/> 35,850
Operating Expenses:		
Copy center	23,256	
Workers' compensation benefits		
Workers' compensation insurance premiums		
Health insurance claims		
Flex benefits		
Other	359	1,039
Depreciation	1,060,359	118,900
	<hr/>	<hr/>
Total Operating Expenses	<hr/> 1,083,974	<hr/> 119,939
Operating Income (Loss)	<hr/> 18,645	<hr/> (84,089)
Nonoperating Revenues:		
Interest earnings	425,557	130,334
Net increase in the fair value of investments	13,680	3,800
(Loss) on disposal of property	(539)	
Workers' compensation reinsurance surplus distribution		
Other income		
	<hr/>	<hr/>
Total Nonoperating Revenues	<hr/> 438,698	<hr/> 134,134
Net Income	457,343	50,045
Add: Depreciation of fixed assets acquired by capital grants	2,087	
	<hr/>	<hr/>
Increase in Retained Earnings	<hr/> 459,430	<hr/> 50,045
Retained Earnings - January 1	13,694,655	
Cumulative effect of change in accounting principle	3,480	
Retained Earnings - January 1, as restated	<hr/> 13,698,135	
Residual Equity Transfers Out	<hr/> (1,500,000)	
Retained Earnings - December 31	<hr/> <hr/> \$12,657,565	<hr/> <hr/> \$50,045

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Self-Insurance Fund	Totals	
	1998	1997
	\$1,096,209	\$989,583
	42,260	38,878
\$59,268	59,268	64,466
3,493,233	3,493,233	3,169,909
16,023	16,023	13,951
507,037	507,037	460,904
384,997	384,997	360,781
<u>4,460,558</u>	<u>5,599,027</u>	<u>5,098,472</u>
	23,256	23,495
168,648	168,648	44,143
19,308	19,308	13,256
3,896,858	3,896,858	3,679,224
397,761	397,761	367,990
37,673	39,071	83,844
	1,179,259	989,583
<u>4,520,248</u>	<u>5,724,161</u>	<u>5,201,535</u>
<u>(59,690)</u>	<u>(125,134)</u>	<u>(103,063)</u>
506,287	1,062,178	881,337
17,120	34,600	144
	(539)	
		426,190
		6,582
<u>523,407</u>	<u>1,096,239</u>	<u>1,314,253</u>
463,717	971,105	1,211,190
	2,087	168
<u>463,717</u>	<u>973,192</u>	<u>1,211,358</u>
6,041,729	19,736,384	19,781,702
3,380	6,860	
<u>6,045,109</u>	<u>19,743,244</u>	<u>19,781,702</u>
<u>(200,000)</u>	<u>(1,700,000)</u>	<u>(1,256,676)</u>
<u>\$6,308,826</u>	<u>\$19,016,436</u>	<u>\$19,736,384</u>